

APPENDIX V

BANK INDONESIA CIRCULAR LETTER

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ON

OPERATION OF REAL TIME FUND SETTLEMENT

THROUGH SISTEM BANK INDONESIA-REAL TIME GROSS SETTLEMENT

**GUIDELINE FOR PREPARATION OF WRITTEN POLICIES AND PROCEDURES
FOR SISTEM BI-RTGS**

Written Policies and Procedures (KPT) prepared by a Participant at least meet the following structure and materials:

1. KPT STRUCTURE

KPT structure includes:

Chapter I : Introduction

Chapter II : KPT Operation Organization

Chapter III : Provisions and Procedures for Sistem BI-RTGS System

Chapter IV : Operational Supervision

Chapter V : Mitigation of Unforeseeable Conditions and/or Emergency Condition

Appendix contains a flow chart.

2. KPT MATERIALS

KPT materials or contents are as follows:

a. Chapter I: Introduction

1) Background

This subchapter briefly explains the background of KPT preparation; among others is the necessity to prepare a written guideline for Sistem BI-RTGS operation whether based on the applicable regulations or for any other reasons.

2) Objective of Sistem BI-RTGS System Usage

This subchapter explains the objective of Sistem BI-RTGS usage, in general under Bank Indonesia regulation or in particular according to the Participant as the system user.

3) Legal Grounds

This subchapter contains the legal grounds for KPT preparation, including the provisions specified by the Operator and the provisions specified by a Participant; among others are decision letters and/or other written provisions.

4) Definitions/Terminologies/General Definitions

This subchapter explains the definitions/terminologies/general definitions used in KPT preparation materials; among others are RTGS Central Node (RCN), back-up RCN, RTGS Participant Platform (RPP), RPP Application, Queueing System, and any other terminologies specifically used in a Participant's internal system related to Sistem BI-RTGS.

b. Chapter II: KTP Organization

1) Organization Structure of Sistem BI-RTGS System Operator Working Unit

This subchapter explains and contains an organization structure chart, including departments or working units responsible for Sistem BI-RTGS operational activities, a Participant's working unit related to Sistem BI-RTGS, and general authorities and responsibilities. This subchapter also

explains the system and correlation between Sistem BI-RTGS and a Participant's internal system.

2) Person in Charge of Sistem BI-RTGS

This subchapter explains and contains the position of the person in charge in each phase of Sistem BI-RTGS operational activity, including:

- a) management of Connected User, Digital Certificate Hard Token, and Digital Certificate Soft Token;
- b) preparation and maintenance of user ID and password;
- c) maintenance of RPP server and RT workstation;
- d) maintenance of hardware and computer network;
- e) maintenance of master file;
- f) operation of Fund Transfer transactions through Sistem BI-RTGS;
- g) liquidity management; and
- h) reconciliation.

3) KPT Operation Authorities

This subchapter explains and contains the tasks and authorities of each of the following functions:

- a) manager/administrator (position in the organization structure);
- b) sender (position in the organization structure);
- c) supervisor (position in the organization structure);
- d) operator (position in the organization structure); and
- e) viewer (position in the organization structure).

4) Security System

This sub-chapter explains the security system used in each activity related to Sistem BI-RTGS operation, namely physical and nonphysical security

such as user ID, password, separation and arrangement of tasks between operator, supervisor, and administrator for operational risk control, etc.

5) File Administration

This subchapter explains the procedures applied in file administration, among others of transaction notes, backup data, user-ID, password, etc.

c. Chapter III: Provisions and Procedures for RPP Operation

1) Beginning of the Day (Start-Up System) of RPP Application

This sub-chapter explains measures taken at the beginning of the day (start-up system) of RPP application.

2) Outgoing Transaction

This sub-chapter explains the policy, flow, and activities (bookkeeping, cancellation, correction, and reconciliation) of outgoing transactions conducted by each working unit in the headquarter or branch office. The working units related to these transactions among others are customer service, teller, back office, and accounting.

3) Incoming Transaction

This subchapter explains the policy, flow, and activities (bookkeeping, cancellation, correction, refund, and reconciliation) of incoming transactions conducted by each working unit in the headquarter or branch office. The working units related to incoming transactions among others are operational and accounting.

4) Cash Withdrawal from Participant's Current Account in Bank Indonesia

This subchapter explains the procedures for cash withdrawals conducted by each working unit and those for physical money withdrawals procedure in

Bank Indonesia. The working units related to money withdrawals from Bank Indonesia among others are teller, back office supervisor, and sender.

5) Cash Deposit to Participant's Current Account in Bank Indonesia

This subchapter explains the procedures for cash deposit conducted by each competent working unit/official at a Participant; among others is teller.

6) End of Day Activity

This subchapter explains the measures taken at the end of RPP day; among others are shutting down the system, printing reports, backing up files, stopping RPP application, and archiving.

d. Chapter IV: Operational Supervision

1) Fund Transfer Monitoring

This subchapter explains the measures taken to monitor Fund Settlements delivered or received through Sistem BI-RTGS, among others through RTGS Payment Gateway (RPG) in payment function. Possible supervision activities among others are thoroughly checking transaction status and history as well as unsettled transactions.

2) Application of Customer Protection Principles under the Laws and Regulations

This subchapter explains the measures taken by a Participant to meet their obligations on customer protection, among others by forwarding Fund Transfer from a sending customer to a receiving Participant and fund forwarding from Fund Settlement result in Sistem BI-RTGS to a receiving customer at a Participant under the provisions specified by the Operator and procedures for granting compensation resulting from delay in Fund Transfer settlement.

3) Reporting to the Management

This subchapter explains the measures taken to prepare reports on fund settlements conducted through Sistem BI-RTGS System.

e. Chapter V: Mitigation of Unforeseeable Conditions and/or Emergency Condition

This subchapter explains the procedures/measures/phases taken if the main system and/or backup system fails to function for Fund Transfer settlements through Sistem BI-RTGS, including the prevention and recovery measures as follows:

1) Prevention

- a) prevention of computer system damage;
- b) prevention of sabotage;
- c) prevention pertaining to power failure;
- d) prevention of fire;
- e) prevention of flood; and
- f) prevention of riot.

2) Recovery

- a) daily backup file;
- b) backup file trial once a month;
- c) periodic trial of backup system for operational activities; and
- d) Business Continuity Plan trial.

3) Procedures in Unforeseeable Conditions/Emergency Condition including:

- a) recovery of Unforeseeable Conditions among others if failure occurs on Sistem BI-RTGS at the Operator (RCN), main RPP, backup RPP, and jaringan komunikasi data (data communication network) (JKD); and

- b) mitigation of Emergency Condition.
- f. Appendix

KPT is equipped with a flow chart of working process as KPT Appendix.

3. KPT DOCUMENTATION

This chapter briefly explains, among others, parties responsible for KPT preparation and update as well as KPT control.

BANK INDONESIA, *(countersigned)*

(signed)

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